

Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 SPC-03 AID-20 EB-11 NSC-10 RSC-01

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FM AMEMBASSY NASSAU

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E. O. 11652: N/A

TAGS: BEXP BF

SUBJ: BAHAMAS COMMERCIAL ACTION PROGRAM

REF: STATE 234462

INTRODUCTION: THE BAHAMIAN MARKET IS LIMITED BY ITS SIZE, ONLY 185,000 PEOPLE. WITH THE EXCEPTION OF OIL, THERE ARE NO LARGE INDUSTRIES WHICH CAN BE TARGETTED AS THIS IS AN IMPORT-ORIENTED ECONOMY. THE BAHAMIAN CONSUMER IS BLANKETED WITH THE SAME ADVERTISING AS IS HIS COUNTERPART IN SOUTHER FLORIDA. HIS BUYING HABITS TEND TO PARALLEL THOSE OF A FLORIDIAN. IN FACT IT WOULD NOT BE FAR WRONG TO SAY THAT FROM A COMMERCIAL VIEWPOINT, THIS IS A 51ST STATE OF THE US. OVER 50 PERCENT OF ALL IMPORTS (OTHER THAN OIL) INTO THE BAHAMAS COMES FROM THE US. CLOSE TO 70 PERCENT OF MOST CONSUMER DURABLES (E.G. 67 PERCENT OF THE WASHING MACHINES) ARE AMERICAN. OF THE REMAINDER OF IMPORTS, A LARGE PORTION OF THE NON-US IMPORTS ARE EITHER ITEMS BROUGHT IN FROM EUROPE FOR SALE TO AMERICAN TOURISTS, OR ITEMS IN WHICH THE US IS NOT COMPETITIVE DUE TO THE COMMONWEALTH TARIFF PREFERENCE. THE HOTEL INDUSTRY ALREADY MEETS ITS REQUIREMENTS THROUGH DIRECT PURCHASES IN THE UNITED STATES.

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(A) OBJECTIVE ONE: INCREASE AMOUNT OF PURCHASES BY GCOB, AND

ITS PUBLIC CORPORATIONS FROM THE US. ACTION ONE: BY JANUARY 31 IDENTIFY THE PURCHASING OFFICER IN EACH MINISTRY OR CORPORATION NOT ALREADY IDENTIFIED AND APPRISE HIM/HER OF THE ASSISTANCE AVAILABLE THROUGH THE EMBASSY AND COMMERCE DEPT. ACTION TWO: BY MARCH 30 DETERMINE ALL PRESENT SOURCES OF SUPPLY FOR THE GCOB TO PINPOINT WHICH ARE NON-AMERICAN. ACTION THREE: OBTAIN, THROUGH THE COMMERCE DEPARTMENT, INFORMATION ON ALTERNATE SOURCES IN THE US. ACTION FOUR: ALL THROUGH THE YEAR MAINTAIN AN ALERT REPORTING SYSTEM FOR NEW MAJOR GOVERNMENT PROJECTS.

(B) OBJECTIVE TWO: ENSURE THAT US PLANT EQUIPMENT IS USED FOR ANY NEW LIGHT INDUSTRIES SET UP IN THE BAHAMAS. (THE GCOB IS CARRYING ON AN ACTIVE CAMPAIGN TO ATTRACT NEW INDUSTRIES TO THE BAHAMAS). ACTION ONE: USE THE CLOSE WORKING RELATIONSHIP WITH OFFICIALS OF THE MINISTRY OF DEVELOPMENT AND BAHAMAS DEVELOPMENT CORPORATION TO IDENTIFY WHICH INDUSTRIES ARE LIKELY TO BE ESTABLISHED. ACTION TWO: WHEN THESE ARE IDENTIFIED OBTAIN THE DETAILS AND SPECIFICATIONS AND ALERT COMMERCE.

(C) OBJECTIVE THREE: ATTEMPT TO ELIMINATE THE \$300 TRAVELLING SALESMEN WORK PERMIT AND THE B-1 US VISA FEE. ACTION ONE: BEFORE DECEMBER 31 MEET WITH OFFICIAL OF THE CABINET OFFICE RESPONSIBLE FOR IMMIGRATION TO DISCUSS A MUTUAL REDUCTION OF FEES. ACTION TWO: MAKE A FORMAL APPROACH BY DIPLOMATIC NOTE TO THE GCOB SUGGESTING MUTUAL REDUCTION OF FEES (BASED ON THE OUTCOME OF ACTION ONE). ACTION THREE: IN THE EVENT THE GCOB IS UNWILLING TO CHANGE ITS TRAVELLING SALESMEN'S WORK PERMIT POLICY, BY JUNE 30 RECOMMEND THAT THE US B-1 \$300 VISA FEE TO BE ELIMINATED AS IT IS COUNTER TO THE US TRADE EXPANSION EFFORT.

(C) OBJECTIVE FOUR: FACILITATE PURCHASING TRIPS TO FLORIDA. (MANY BAHAMIAN BUSINESSMEN PREFER TO MAKE PURCHASING TRIPS TO THE SOUTH FLORIDA AREA, RATHER THAN PLACING ORDERS FROM HERE). ACTION ONE: BY JANUARY 15, CONTACT THE INTERNATIONAL TRADE BUREAU OF THE FLORIDA DEPT OF COMMERCE TO OBTAIN DIRECTORIES, CATALOGUES AND OTHER MATERIAL OF INTEREST TO BUYERS. ACTION TWO: PUBLICIZE THE AVAILABILITY OF SUCH MATERIAL AT THE UNCLASSIFIED

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EMBASSY. ACTION THREE: COORDINATE WITH THE MIAMI FIELD OFFICE OF COMMERCE ON VISITS BY MORE IMPORTANT BUSINESS VISITORS.

(E) OBJECTIVE FIVE: REVIEW THE QUESTION OF THE ELIMINATION OF THE COMMONWEALTH TARIFF PREFERENCE. ACTION ONE: BY JANUARY 15 ASK THE DEPARTMENT TO PROVIDE THE EMBASSY WITH (A) GUIDANCE ON US POLICY VIS-A-VIS THE COMMONWEALTH TARIFF PREFERENCE SYSTEM AND (B) INFORMATION ON PLASN BY OTHER COMMON-

WEALTH COUNTRIES ON PREFERENCE IN LIGHT OF THE UK JOINING THE EUROPEAN COMMON MARKET. ACTION TWO: AFTER THE INFORMATION TO BE REQUESTED IN ACTION ONE IS RECEIVED, PREPARE AN ANALYSIS OF THE IMPLICATIONS FOR US INTERESTS IN THE BAHAMAS OF THE ELIMINATION OF THE COMMONWEALTH TARIFF PREFERENCE. ACTION THREE: IF AFTER CONSIDERATION OF US POLICY INTERESTS IT IS DETERMINED TO PROCEED, TAKE UP THE MATTER WITH THE GCOB.

(F) OBJECTIVE SIX: IMPROVE USE OF EXISTING RESOURCES OF THE ECONOMIC/COMMERCIAL SECTION. (EXPLANATORY NOTE: THIS IS A NEWLY ESTABLISHED EMBASSY. THE MANPOWER OF THE EMBASSY HAS BEEN TAILORED TO EXISTING NEEDS WHICH THEMSELVES ALREADY HAVE BEEN REVIEWED (E.G. CERP) AND FOUND APPROPRIATE. WITH THE ESTABLISHMENT OF THE EMBASSY IN NEW QUARTERS ONE MONTH AGO, THE COMMERCIAL SECTION ACQUIRED ADDITIONAL RESOURCES WHICH HAVE NOT YET BEEN FULLY EXPLOITED. THESE INCLUDE A MUCH ENLARGED COMMERCIAL LIBRARY, A SMALL EXHIBIT AREA ADJACENT TO THE LIBRARY AND THE FULL TIME SERVICES OF AN FSL COMMERCIAL ASSISTANT.) ACTION ONE: STARTING IMMEDIATELY THE FSL COMMERCIAL ASSISTANT WILL SPEND MORE TIME IN THE MARKET PLACE INFORMING THE BUSINESS COMMUNITY OF THE SERVICES AVAILABLE THROUGH THE EMBASSY, DEVELOPING MORE TRADE LEADS AND GATHERING MARKETING INFORMATION. ACTION TWO: BEFORE DECEMBER 31, FOLLOW-UP ON EMBASSY'S UNANSWERED REQUEST FOR GUIDANCE AND ASSISTANCE FROM COMMERCE (NASSAU 1452) ON SETTING UP SMALL-SCALE SAMPLE EXHIBITS OR CATALOGUE SHOWS. ACTION THREE: BEFORE JUNE 30, HOLD AT LEAST ONE CATALOGUE SHOW OR PRODUCT EXHIBIT.
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